



**Alaska Mental Health Trust Authority  
Board of Trustees**

**August 10, 2016**

# Review of BH Managed Care Carve-outs

- Elliot D. Pollack & Co. Review

Concluded after conducting a review of the “extensive research” on BH carve-out arrangements that “the evidence is dramatic and uncontested: behavioral health carve-outs have resulted in significant containment of costs while increasing access to care and the quality of care.”

# Review of BH Managed Care Carve-outs

- The Pollack research further concluded that they “did not uncover any studies that endorsed the ‘carve-in’ approach where traditional health plans would administer behavioral health services on a fee-for-service contract.”

# HealthChoices Goals

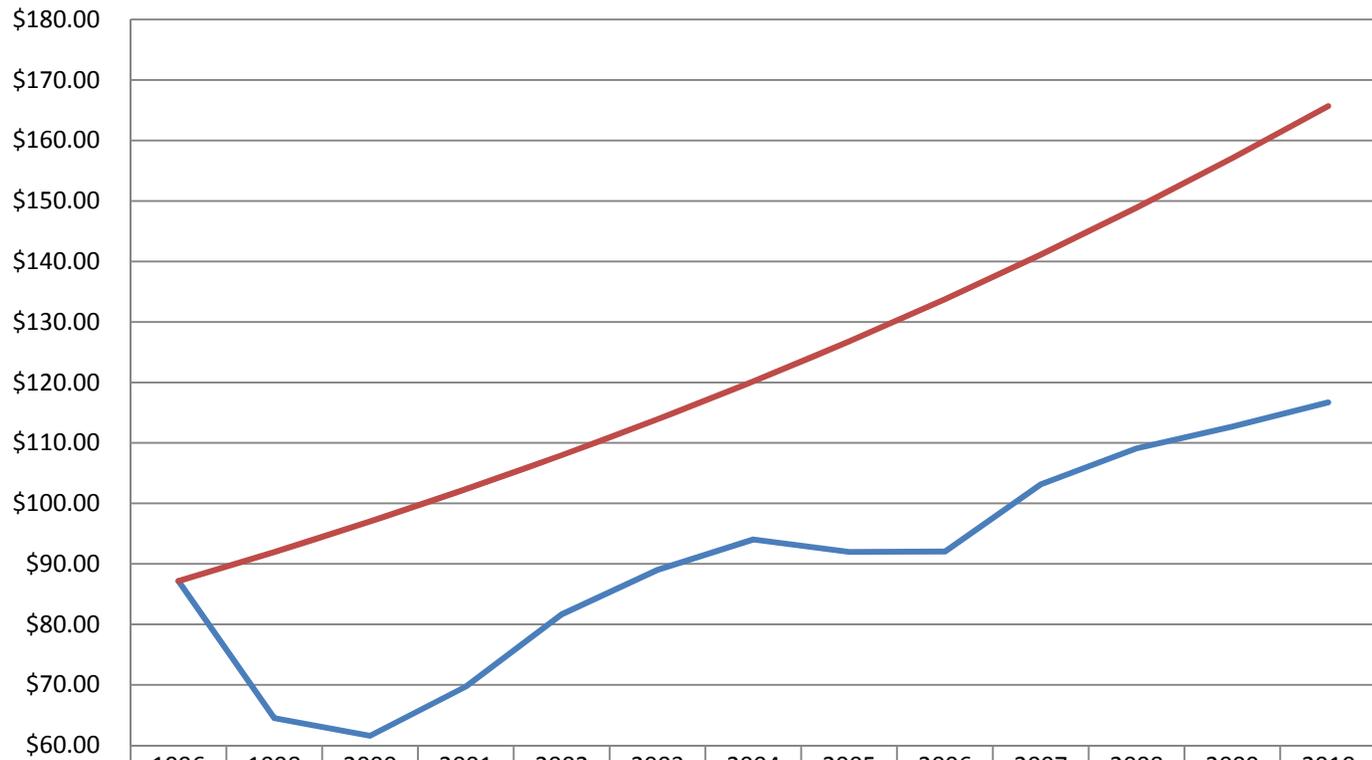
- Increase access.
- Improve quality of services.
- Stabilize Medicaid funding.

# Pennsylvania Behavioral Health HealthChoices Program

- Managed program costs below anticipated fee-for-service trend; administrative costs are low.
  - ***Four billion dollars in savings.***
- Continues to serve more people and has maintained a focus on those with the most need.
  - ***Access exceeds national benchmarks for persons with serious mental illness.***
- Continues to provide a wider array of services in less restrictive settings.
  - ***Increased drug and alcohol provider network by over 500 programs.***
- Reinvestment opportunities have sparked innovative practices and cost effective alternatives to current practices.
  - ***Less restrictive alternative services increased by 400%.***

# HealthChoices Savings

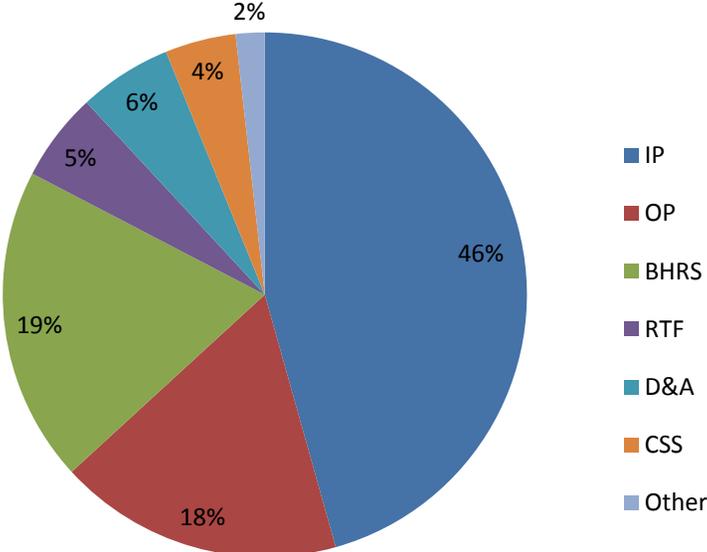
**Contracted Rate Vs. Projected FFS**



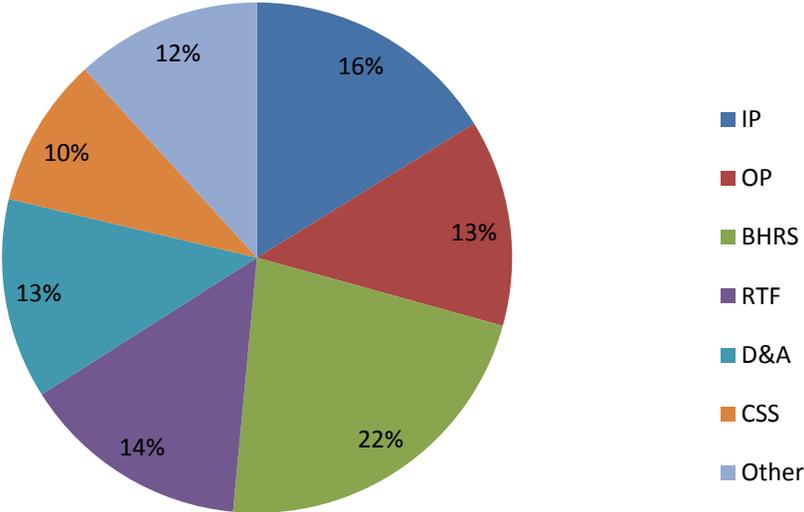
	1996	1998	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
— Medical Contracted Rate	\$87.16	\$64.49	\$61.58	\$69.72	\$81.66	\$89.01	\$94.03	\$91.97	\$92.04	\$103.13	\$109.10	\$112.70	\$116.71
— Projected FFS	\$87.16	\$91.95	\$97.01	\$102.34	\$107.97	\$113.91	\$120.18	\$126.79	\$133.76	\$141.12	\$148.88	\$157.07	\$165.70

# Systems Redesign

FFS (1998)



2008



# Contract standards

- Performance measures
  - Access (timeliness, geography, MH, SU & PC)
  - Service utilization (in lieu of ER, IP, more community based)
  - Quality (readmission rates, timely follow up, level of independent living, school participation)
  - Physical health metrics (hbp, cholesterol, diabetes, med compliance)
  - BH metrics

# Administrative Services Organization

- **Definition**—State contracts with a third party organization with special expertise in BH systems management to provide certain specified administrative services necessary to manage the system of care on the State's behalf.
- **Functions**—Utilization Management, Quality Management, Network Management, Data Management, Claims Processing, Enrollment Services

# Framework for ASO—1115 BH Waiver

- Mandated by SB 74
- Purpose—demonstrate and evaluate approaches such as expanding eligibility, provide services not typically covered by Medicaid, & use innovative service delivery systems
- ASO--would be considered an innovative service delivery system
- Components—description of demonstration, description of proposed delivery system, estimate of increase/decrease in enrollment/\$, waiver/expenditure authorities, research hypotheses & evaluation design, populations/benefits, financing, BUDGET NEUTRALITY

# Timeline for 1115 Waiver—National Governor's Association Toolkit

- Building Blocks Phase—Months 2-6
  - Assume for AK that means August-December, 2016
  - Pre-work: Readiness assessments/Environmental scans—DBH readiness assessment August; provider August-December, 2016
  - Stakeholder engagement: Teams begin August 2016
  - Concept Paper—October 2016
  - Reach CMS/State agreement on project direction

# Timeline (continued)

- Prepare/Submit Proposal Phase: Months 6-12
  - Prepare Waiver—December, 2016-April, 2017
  - Submit Waiver—July 2017
  - Reach Agreement with CMS on key elements (usually financing)
  - Receive CMS approval letter and Special Terms and Conditions
- Implement and Evaluate